

RT Communications- Wyoming
5 Year Service Quality Improvement Plan
2016 Update & Progress Report

Introduction

RT Communications, Inc. is an ETC sharing a single study area (512251), with Range Telephone Cooperative-Wyoming. The RT portion of the study area is 9,890 square miles in eastern & central Wyoming served by 15 wire centers with 10,924 current access lines. RT has the following wire centers:

<u>Wire Center</u>	<u>Sq. Miles</u>	<u>Access Lines</u>
Albin	410	211
Burns	256	404
Carpenter	172	180
Gas Hills	321	3
Hulett	1,172	609
Jeffery City	566	66
Kaycee	979	366
Midwest	723	249
Moorcroft	480	653
Newcastle	1,784	2,469
Pine Bluffs	201	592
Shoshoni	979	356
Thermopolis	562	1,510
Upton	669	592
Worland	<u>616</u>	<u>2,664</u>
Total	9,890	10,924

Current USAC Information

Per the Universal Service Administrative Company (USAC), RT Communications received a total of \$2,695,853 in USF support funds year to date 05.31.2016. The breakdown of the funding to time of filing is:

High Cost Loop	\$ 1,009,273
ICLS	\$ 1,369,120
CAF ICC	<u>\$ 317,460</u>
	\$ 2,695,853

These Universal Service Funds (USF) are used to maintain, upgrade and improve the RT Communications network and to cover operating expenses and debt commitments as necessary to continue offering affordable voice and broadband services within its authorized serving areas.

USF will continue to be included in RT Communications current revenue accounts and forward-looking projections. Total Revenues are used for both capital expenditures as well as covering operating expenses and fixed costs incurred in obtaining capital from lenders. RT Communications does not segregate USF separately for purposes of capital and operating expenditures. USF is expended in the same proportion as all other revenues.

The proportionate share of USF expenditures year to date 2016 allocated for CAPEX is estimated to be \$1,490,102 or 55%, and for OPEX is estimated to be \$1,205,751 or 45%.

(Note: A greater share of USF is spent on CAPEX during the 2nd half of a given year when RT Communications traditional construction season begins in mid-May and ends by November)

This 5 year improvement plan is a section of the Company's 2015 Annual Report. It is in compliance with # 54.313(a)(1) adopted in the FCC USF/ICC Transformation Order (11-161).

RT has developed its improvement plan, concentrating on the delivery and continuation of a robust network which will provide, at a minimum, the federally required voice and broadband connectivity as stipulated by regulatory rule.

RT advises that this improvement plan has been carefully crafted, matching measured network deployment, improvement and quality service levels with known financial implications of the Transformation Order upon the Company's cash flows. This would include the Company's ability to borrow needed funds. The uncertainty of such cash flows being received in the outer years as a result of current and potential regulatory action on rate of return carriers has resulted in the Company taking a balanced yet realistic approach.

RT will reevaluate this plan on an annual basis. Action, however, may also be taken abruptly on the presented plan for both current and outer years in the event of evolving regulatory conditions, changes in technology or vendor support, or available financing. All adjustments to the improvement plan in this document will be reflected and explained in subsequent annual reports.

5 Year Service Quality Improvement Plan by Year

For the next 5 years RT Communications will deploy Broadband Loop Carrier (BLC) equipment to support increased bandwidth to its end users and to collapse its legacy circuit switched voice network into its next generation packet switched voice network. The majority of this Plan entails replacing traditional copper T-carrier facilities with Fiber to The Node (FTTN) infrastructure in support of the new BLC being deployed. In an effort to minimize retained copper loop lengths, additional BLC nodes will be designed for installation either during initial placement of the FTTN facilities or in a subsequent Plan year. Fiber to The Premise (FTTP) will be deployed in more densely populated areas, and fixed wireless will be considered where such technology may be more economically feasible to meet the same objective. As this Plan is implemented all subscribers falling within the definition of 'reasonable request' will have access to broadband service at speeds defined by the FCC.

Exchange maps have been included with this filing detailing those geographic areas that will be impacted by each project defined herein.

Plan Year 2015

WORLAND, WYOMING EXCHANGE

CENTRAL OFFICE SERVER REPLACEMENT (WRLD)

In 2015 RT Communications plans to replace our current file system server and network management server. The servers that our LAN management and Access Carrier management systems currently operate on have been recommended for replacement by manufacture and vendor representatives. We plan to purchase two new servers and a Software Asset Management package. This purchase will allow us to virtualize server function for several current systems and replace functions of multiple servers. Once functions are moved we would be able to retire several additional servers with no need to replace them.

2015 Update: Planning for this project is underway.

2016 Update: Project completed April 2016.

~~**WORLAND, WYOMING EXCHANGE**~~

~~**BIG HORN REMOTE ACCESS CARRIER SITE (BHRN)**~~

~~The planned method of investment for this project is fiber optic transport to the existing node (FTTN) and equipment upgrade of the node electronics. Current copper cable service delivery to the subscribers will be retained. The project includes new placement of approximately 2.3 route miles of fiber optic cable. Both aerial and buried cable placement methods are planned on this project. Other investment methods considered for this project include wireless Point-to-Point transport. Peak and valley type terrain eliminated the use of wireless Point-to-Point and proved fiber optic placement the best investment. Special concerns for new placement in this project include crossing a main BNSF Railroad line and a river crossing of the Big Horn River. Project planned coverage area includes an estimated 5 square mile serving area. Voice switching for this site is currently done using our packet voice switch and voice service will remain using that after project completion. As part of this project the current access electronics at the site will be replaced and upgraded to offer VDSL2 broadband and VoIP service. This project area is included in our current RUS loan design. Funding for the project is planned to be from general funds. Expected construction completion and service cut over of this project is within calendar year 2015.~~

~~**2015 Update: This project has been delayed due to road construction planning by Wyoming Department of Transportation. Start date is unknown at this time and project may have to be moved out to subsequent plan year.**~~

~~**2016 Update: This project planned implementation is summer of 2019 due to WYDOT construction along route scheduled through 2018.**~~

THERMOPOLIS, WYOMING EXCHANGE

FREMONT AND SUNSET SERVING AREAS CONSTRUCTION (FRMT & SNST)

This project is fiber optic to the home/business (FTTH). This is phase four of fiber to the home construction in this exchange with phase one having been constructed in 2009. Current copper cables will not be retained after project completion and service cut

over. The project includes new placement of approximately 36 route miles of fiber optic cable. Buried and underground cable placement methods are planned on this project. Other investment methods considered for this project include wireless Point-to-Multi Point service to the home. Existing fiber to the home investment in this area makes continued fiber to the home the best investment. Special concerns for new placement in this project include some difficult construction areas with rock excavation possible. Project planned coverage area includes an estimated 2.5 square mile serving area. Voice switching for this area is currently done using our packet voice switch and voice service will remain using that after project completion. The current access electronics system serving these subscribers is in the Central Office and will be replaced and upgraded as part of this project. Current anchor institutions in the planned serving area interfaces are the Wyoming Highway Department Maintenance Shop and Regional Engineering Office. This project area is included in our current RUS loan design. Funding for the project is planned to be from the current RUS loan. Expected construction completion of this project is within this calendar year but could be extended to 2016 if conditions require. Service cut over of this project is expected to be completed in calendar year 2016.

2015 Update: Construction will commence on this project in July.

2016 Update: Construction was completed in 2015, clean-up and cut-over is scheduled to begin in spring of 2016.

NEWCASTLE, WYOMING EXCHANGE

NEWCASTLE BASE RATE ELECTRONICS UPGRADE (NWCS)

The planned method of investment is Central Office access electronics upgrade. Current copper cables will be retained in project design. The project will include purchase and installation of all new access electronics to provide voice and broadband service in the base rate area. Project planned coverage area includes an estimated 4 square mile serving area. Requirement of design decision is that when complete all subscribers will have a current maximum available broadband service speed of 20MB download with 5MB upload. Voice switching for this site is currently done using our circuit voice switch and will move to our packet voice switch after project completion. Current anchor institutions in the planned serving area interface are the Weston County Courthouse and Newcastle City Police Department. This project area is in our current RUS loan design. Funding for the project is planned to be from general funds. Expected construction completion and service cut over of this project is within this calendar year.

2015 Update: Construction on this project is in progress.

2016 Update: This project is in process and is scheduled to be completed 4th qtr. 2016 or 1st qtr. 2017.

NEWCASTLE, WYOMING EXCHANGE

DEWEY ROAD AND CUSTER HIGHLANDS ACCESS CARRIER SITES (CSTR)

The planned method of investment for this project is fiber optic transport to the existing node (FTTN) and equipment upgrade of the node electronics. Current copper cable service delivery to the subscribers will be retained. The project includes new placement of approximately 7.7 route miles of fiber optic cable. There are 2.3 route miles needed to connect to a new access carrier site on Dewey Road and an additional 2.9 route miles to the current Custer Highlands access carrier site. In addition, another 2.5 route miles of fiber optic cable will be constructed to a new access carrier site to provide service to the US Forest Service TEE PEE Camp Site. Buried cable placement methods are planned on this project. Other investment methods considered for this project include wireless Point-to-Point transport. Peak and valley type terrain eliminated the use of wireless Point-to-Point and proved fiber optic placement the best investment. Special concerns for new placement in this project include some difficult construction areas with rock excavation likely. Currently there is no broadband capability or service offering in these access carrier areas. Voice switching for this site is currently done using our circuit voice switch and will move to our packet voice switch after project completion. As part of this project all access electronics in the project area will be upgraded to offer VDSL2 broadband and VoIP service. Current anchor institutions in the serving areas are Elk Mountain School (South Dakota) and US Forest Service TEE PEE Camp Site. This project area is included in our current RUS loan design. Funding for the project is planned to be from the current RUS loan. Expected construction completion and service cut over of this project is within this calendar year.

2015 Update: Final engineering and design are in progress.

2016 Update: Construction to Custer Highland's remote was completed in the fall of 2015, fiber optic cable was placed to a new remote cabinet. Cut-over of this serving area is scheduled for the summer of 2016. Dewey Road fiber and remote is scheduled for summer of 2016, however, we are exploring a more cost-effective alternate way to feed the remote cabinet via P-T-P wireless.

NEWCASTLE, WYOMING EXCHANGE

SALEM AND SALT CREEK SERVING AREAS CONSTRUCTION (SALM & SCRD)

The planned method of investment for this project is fiber optic to the home/business (FTTH) and fiber optic to the node (FTTN). Current copper cables will be retained in the Morissey Road, 3rd Street, and 5th Street remote areas. Copper cables in the Salem and

Salt Creek Road areas will not be retained after project completion and service cut over. The Salem & Salt Creek fiber to the home project includes new placement of approximately 46 route miles of fiber optic cable. Buried and underground cable placement methods are planned on this project. Existing fiber to the home investment in this area makes continued fiber to the home the best investment. Special concerns for new placement in this project include some difficult construction areas with rock excavation possible. Project planned coverage area includes an estimated 2.5 square mile serving area. These serving area interfaces have a total of 295 subscriber locations with estimated 215 current broadband customers included in that number. Current broadband capabilities in these areas offer maximum service speed of 15MB download with 1MB upload. When complete most subscribers will have a current maximum available broadband service speed of 50MB download with 20MB upload. Voice switching for this area is currently done using our packet voice switch and voice service will remain using that after project completion. The current access electronics system serving these subscribers is in the Central Office and will be replaced and upgraded as part of this project. This project area is included in our current RUS loan design. Funding for the project is planned to be from the current RUS loan at this time. Expected construction completion of this project is within this calendar year but could be extended to 2016 if conditions require it and current RUS loan funding is extended. Service cut over of this project is expected to be completed in calendar year 2016 and is outlined in a line item under the 2016 listings of this document.

2015 Update: This project went to bid in 2014 but right-of-way delays pushed it into the 2015 modernization plan year. This project is in progress but will not be cutover until Phase II scheduled for plan year 2016.

2016 Update: Construction of this project was complete in 2015. Cut-over is scheduled to begin in spring of 2016.

NEWCASTLE, WYOMING EXCHANGE

CENTRAL OFFICE BUILDING REAR ENTRANCE REPAIR (NWCS)

The Newcastle West Entrance project includes repair or replacement of the entire alley facing entrance and parking area of the Central Office. The new entrance and parking area will replace and upgrade our currently deteriorating entrance and parking area. Special concerns in this project include keeping safe access and parking for our personnel. Funding for the project is planned to be from general funds at this time. Expected completion of this project is within this calendar year.

2015 Update: This project was added due to priority change.

2016 Update: This project has been moved to 2017 due to priority changes.

MOORCROFT, WYOMING EXCHANGE

MOORCROFT BASE RATE ELECTRONICS UPGRADE (MRCR)

The planned method of investment is Central Office access electronics upgrade. Current copper cables will be retained in project design. The project will include purchase and installation of all new access electronics to provide voice and broadband service in the base rate area. Project planned coverage area includes an estimated 4 square mile serving area. This area has an estimated total of 867 subscriber locations with estimated 222 current broadband customers included in that number. Voice switching for this site is currently done using our circuit voice switch and will move to our packet voice switch after project completion. Current anchor institutions in the planned serving area interface are the Moorcroft Medical Clinic and Moorcroft City Police Department. This project area is in our current RUS loan design. Funding for the project is planned to be from general funds. Expected construction completion and service cut over of this project is within this calendar year.

2015 Update: Final engineering and design are in progress.

2016 Update: This project is in process and is scheduled to be completed 4th qtr. 2016 or 1st qtr. 2017.

UPTON, WYOMING EXCHANGE

UPTON BASE RATE ELECTRONICS UPGRADE (UPTN)

The planned method of investment is Central Office access electronics upgrade. Current copper cables will be retained in project design. The project will include purchase and installation of all new access electronics to provide voice and broadband service in the base rate area. Project planned coverage area includes an estimated 2 square mile serving area. Requirement of design decision is that when complete all subscribers will have a current maximum available broadband service speed of 20MB download with 5MB upload. Voice switching for this site is currently done using our circuit voice switch and will move to our packet voice switch after project completion. Current anchor institutions in the planned serving area interface are the Upton Medical Clinic and Upton City Police Department. This project area is in our current RUS loan design. Funding for the project is planned to be from general funds. Expected construction completion and service cut over of this project is within this calendar year.

2015 Update: Final engineering and design are in progress.

2016 Update: This project is in process and is scheduled to be completed 3rd qtr. 2017.

HULETT, WYOMING EXCHANGE

HULETT BASE RATE ELECTRONICS UPGRADE (HLTT)

The planned method of investment is Central Office access electronics upgrade. Current copper cables will be retained in project design. The project will include purchase and installation of all new access electronics to provide voice and broadband service in the base rate area. Project planned coverage area includes an estimated 2 square mile serving area. Requirement of design decision is that when complete all subscribers will have a current maximum available broadband service speed of 20MB download with 5MB upload. Voice switching for this site is currently done using our circuit voice switch and will move to our packet voice switch after project completion. Current anchor institution in the planned serving area interface is the Hulett Wyoming Highway Department Office. This project area is not in our current RUS loan design. Funding for the project is planned to be from general funds. Expected construction completion and service cut over of this project is within this calendar year.

2015 Update: Final engineering and design are in progress.

2016 Update: This project is in process and is scheduled to be completed 4th qtr. 2016.

BURNS, WYOMING EXCHANGE

CENTRAL OFFICE MAIN DC POWER BOARD AND BATTERY REPLACEMENT (BRNS)

This project includes installation of a new DC power board and battery string. The new installed DC power system will replace and upgrade our current system that has reached its life expectancy and is manufacturer discontinued. Special concerns in this project include keeping reliable Central Office DC Power to maintain operation of all local transport and access services including 911 and EMS service. Funding for the project is planned to be from general funds at this time. Expected completion of this project is within this calendar year.

2016 update: This project added due to battery failure and was complete October 2015.

RT COMMUNICATIONS-ALL EXCHANGES

TECHNICIAN SERVICE TRUCK VEHICLES

In 2015 RT Communications plans to replace two ¾ ton gasoline engine service trucks. We currently have several high mileage service trucks and will decide on specific unit numbers for replacement as needed in the year. Due to RT Communications service area being very large the mileage put on each service truck yearly is very high. To ensure the safety of employees as well as ensuring serviceable vehicles, the company must regularly replace service trucks.

2015 Update: Complete

MULTIPLE EXCHANGES AS NOTED BELOW

UPGRADE AFC ACCESS CARRIER SITES TO BROADBAND LOOP CARRIER

The planned method of investment for this project is equipment upgrade of the current access carrier electronics and multiple sites. Current copper cable service delivery to the subscribers will be retained. The project includes placement of new electronics equipment in existing access carrier sites. Other investment methods considered for this project include wireless Point-to-Multi Point and fiber optic service delivery to the home. Peak and valley type terrain eliminated the use of wireless Point-to-Multi Point and distance between subscribers proved fiber to the node (FTTN) the best investment. When complete subscribers will have a current maximum available broadband service speed of 20MB download with 5MB upload. As part of this project the current access electronics at the site will be replaced and upgraded to offer VDSL2 broadband and VoIP voice service. These project areas are included in our current RUS loan design. Funding for the project is planned to be from general funds at this time. Expected construction completion and service cut over of this project is within this calendar year.

<u>Carrier Cabinet Upgrades</u>		<u>Area Impacted</u>	<u>Population Impacted</u>
BRNS	Hillsdale North	28 Sq. Miles	17 Subscribers
PNBL	Fornstram	26 Sq. Miles	20 Subscribers
MRCR	Cabin Creek	20 Sq. Miles	69 Subscribers
WRLD	Hanover	15 Sq. Miles	54 Subscribers
WRLD	Rattlesnake Ridge	9 Sq. Miles	19 Subscribers
KAYC	Sussex	58 Sq. Miles	77 Subscribers

2015 Update: These projects added to the modernization plan.

2016 Update: We are attempting to upgrade our carrier access equipment across our networks but have been delayed due to priority changes.

Plan Year 2016

WORLAND, WYOMING EXCHANGE

CENTRAL OFFICE DC-AC POWER INVERTER UPGRADE (WRLD)

This project includes installation of a new DC-AC power inverter system. The new installed inverter system will replace and upgrade our current inverters that are less than adequate for future needs. Special concerns in this project include keeping our local area network operating and keeping our on-site servers and data switches operating on inverted AC power. Funding for the project is planned to be from general funds at this time. Expected completion of this project is within this calendar year.

2015 Update: This project has been moved to Plan Year 2016 due to priority changes.

2016 update: This project is in progress and is scheduled for completion in 4th qtr. 2016.

WORLAND, WYOMING EXCHANGE

CENTRAL OFFICE MAIN DC POWER BOARD AND BATTERY REPLACEMENT (WRLD)

This project includes installation of a new DC power board and dual battery strings. The new installed DC power system will replace and upgrade our current system that has reached its life expectancy and is less than adequate for future needs. Special concerns in this project include keeping reliable Central Office DC Power to maintain operation of all local transport and access services including 911 and EMS service. Funding for the project is planned to be from general funds. Expected completion of this project is within this calendar year.

2015 Update: This project has been moved out to Plan Year 2016 due to priority changes.

2016 update: This project is in progress and is scheduled for completion in 4th qtr. 2016.

WORLAND, WYOMING EXCHANGE

CENTRAL OFFICE AIR HANDLING EQUIPMENT (WRLD)

We have been advised by our current air system maintenance contractor for a couple of years now, as well as outside contractors asked to bid on our maintenance contract, that our Main Business Office and Central Office air handling systems will need to be replaced in the near future. The current pneumatic control system is outdated. It is difficult to find parts for or anyone with the knowledge of how to maintain it. The Worland CO AC Unit is in the closet outside the CO and is insufficient to keep the CO cool and humidified. The air handling systems requirements are constantly changing and we have seen an increase in the burden on this system. Its maintenance cost is higher than our other systems. The backup system is a water fed AC unit in the mailroom. Major maintenance or replacement will require removal of a wall. With the changes in equipment in the CO it would be an optimum time to replace it with a 10 ton unit possibly located on the roof.

2015 Update: This project has been moved from plan year 2015 to plan year 2016 due to priority changes.

2016 Update: This project is scheduled to be engineered and estimates presented in 2016. Actual placement and construction will follow in 4th qtr. of 2016 or early 2017, depending on timing and funding.

WORLAND, WYOMING EXCHANGE

HANOVER REMOTE ACCESS CARRIER SITE (HNVR)

The planned method of investment for this project is fiber optic transport to the existing node (FTTN) and equipment upgrade of the node electronics. Current copper cable service delivery to the subscribers will be retained. The project includes new placement of approximately 4 route miles of fiber optic cable. Buried cable placement method is planned on this project. Other investment methods considered for this project include wireless Point-to-Point transport. Lack of direct line of site and tree growth eliminated the use of wireless Point-to-Point and proved fiber optic placement the best investment. Special concerns for new placement in this project include narrow highway corridor work area may require private easement for construction. Project planned coverage area includes an estimated 12 square mile serving area. Voice switching for this site is currently done using our packet voice switch and voice service will remain using that after project completion. As part of this project the current access electronics at the site will be replaced and upgraded to offer VDSL2 broadband and VoIP service. This project area is planned to be included in our next RUS loan design. Funding for the project is planned to be from the future RUS loan. Expected construction completion and service cut over of this project is within this calendar year.

2015 Update: This project has been moved up from plan year 2018 due to priority changes.

2016 Update: This project is in the final engineering, design, and contract phases and will begin construction in 2016.

THERMOPOLIS, WYOMING EXCHANGE

FREMONT AND SUNSET SERVING AREAS SERVICE CUT OVER (FRMT & SNST)

This line item is service cut over and part two of the construction project of the same name shown in year 2015. This will be phase four of fiber to the home construction in this exchange with phase one having been constructed in 2009. The planned method of investment for this project is fiber optic to the home/business (FTTH). Current copper cables will not be retained after project completion and service cut over. The construction portion of project included new placement of approximately 36 route miles of fiber optic cable and was scheduled to be completed in 2016. Project planned coverage area includes an estimated 2.5 square mile serving area. These serving area interfaces have an estimated total of 400 subscriber locations with estimated 289 current broadband customers included in that number. Voice switching for this area is currently done using our packet voice switch and voice service will remain using that after project completion. The current access electronics system serving these subscribers is in the Central Office and will be replaced and upgraded as part of this project. Current anchor institutions in the planned serving area interfaces are the Wyoming Highway Department Maintenance Shop and Regional Engineering Office. This project area is included in our current RUS loan design. Funding for the project is planned to be from the current RUS loan. Expected service cut over completion of this project is within this calendar year.

2016 update: Cut-over began in February 2016 and is scheduled to be completed in the summer of 2016.

~~THERMOPOLIS, WYOMING EXCHANGE~~

~~CENTRAL OFFICE HEATING AND COOLING EQUIPMENT (THRM)~~

~~The Thermopolis Central Office cooling unit no longer sufficiently maintains the temperature and humidity in some parts of the office. A new wall was constructed during a remodel to reduce the size of the equipment room and thus reduced the cost of the fire suppression system we were installing. The result of this remodel placed the smaller secondary AC unit into the same zone as the primary system for cooling the equipment. The main system cools the front office and the back office but no longer cools the equipment room sufficiently. This smaller system is running too often and will eventually fail. It has been recommended that we place a 10 Ton system in the Central Office as the primary and let the smaller unit be the backup. The heating units are older Lenox systems that are becoming harder to maintain and support. Replacement has been recommended.~~

2016 update: This project has been delayed until 2017 due to priority changes.

NEWCASTLE, WYOMING EXCHANGE

SALEM AND SALT CREEK SERVING AREAS CONSTRUCTION (SALM & SCRD)

The planned method of investment for this project is fiber optic to the home/business (FTTH) and fiber optic to the node (FTTN). Current copper cables will be retained in the Morissey Road, 3rd Street, and 5th Street remote areas. Copper cables in the Salem and Salt Creek Road areas will not be retained after project completion and service cut over. The Salem & Salt Creek fiber to the home project includes new placement of approximately 46 route miles of fiber optic cable. Buried and underground cable placement methods are planned on this project. Existing fiber to the home investment in this area makes continued fiber to the home the best investment. Special concerns for new placement in this project include some difficult construction areas with rock excavation possible. Project planned coverage area includes an estimated 2.5 square mile serving area. These serving area interfaces have a total of 295 subscriber locations with estimated 215 current broadband customers included in that number. Current broadband capabilities in these areas offer maximum service speed of 15MB download with 1MB upload. When complete most subscribers will have a current maximum available broadband service speed of 50MB download with 20MB upload. Voice switching for this area is currently done using our packet voice switch and voice service will remain using that after project completion. The current access electronics system serving these subscribers is in the Central Office and will be replaced and upgraded as part of this project. This project area is included in our current RUS loan design. Funding for the project is planned to be from the current RUS loan at this time. Expected construction completion of this project is within this calendar year but could be extended to 2016 if conditions require it and current RUS loan funding is extended. Service cut over of this project is expected to be completed in calendar year 2016 and is outlined in a line item under the 2016 listings of this document.

2015 Update: This project went to bid in 2014 but right-of-way delays have pushed it into the 2015 modernization plan year. This project is in progress but will not be cutover until Phase II scheduled for plan year 2016.

2016 update: Cut-over on these serving areas began in March 2016 and are scheduled to be completed in summer of 2016.

HULETT, WYOMING EXCHANGE

~~CENTRAL OFFICE MAIN DC POWER BOARD AND BATTERY REPLACEMENT (HLTT)~~

~~This project includes installation of a new DC power board and battery string. The new installed DC power system will replace and upgrade our current system that has reached its life expectancy and is manufacturer discontinued. Special concerns in this project~~

include keeping reliable Central Office DC Power to maintain operation of all local transport and access services including 911 and EMS service. Funding for the project is planned to be from general funds at this time. Expected completion of this project is within this calendar year.

2016 update: This project has been delayed until 2017 due to priority changes.

JEFFREY CITY, WYOMING EXCHANGE

JEFFREY CITY WEST ROUTE AREA (JFCW)

The planned method of investment for this project is **fiber to the node (FTTN)** and wireless Point-to-Point transport and the establishment of new access carrier sites for broadband service delivery. Current copper cable service delivery to the subscribers will be retained and reinforced where needed. The project includes new placement of approximately 6 new wireless transport sites and 1 route mile of copper cable. Buried cable placement methods are planned on this project. Other investment methods considered for this project include fiber to the home (FTTH) and fiber to the node (FTTN) designs. Distance between subscriber locations and cost of placement proved wireless transport and copper to the home service delivery to be the best investment. Special concerns for new placement in this project include securing new property easement for new wireless site locations. Project planned coverage area includes an estimated 36 square mile serving area. Voice switching for this area is currently done using our packet voice switch and voice service will remain using that after project completion. As part of this project all access electronics in the project area will be upgraded to offer VDSL2 broadband and VoIP service. This project area is planned to be included in our next RUS loan design. Funding for the project is planned to be from the future RUS loan. Expected construction completion and service cut over of this project is within this calendar year.

2015 Update: This project has been moved up from plan year 2018 due to priority changes.

2016 Update: Continuing as planned but including FTTN as noted.

JEFFREY CITY, WYOMING EXCHANGE

JEFFREY CITY EAST & SOUTH ROUTE AREAS (JFCE) (JFCS)

The planned method of investment for this project is **fiber to the node (FTTN)** and wireless Point-to-Point transport and the establishment of new access carrier sites for broadband service delivery. Current copper cable service delivery to the subscribers will be retained and reinforced where needed. The project includes new placement of approximately 6 new wireless transport sites and 1 route mile of copper cable. Buried cable placement methods are planned on this project. Other investment methods considered for this project include fiber to the home (FTTH) and fiber to the node (FTTN) designs. Distance between subscriber locations and cost of placement proved wireless transport and copper to the home service delivery to be the best investment. Special concerns for new placement in this project include securing new property easement for new wireless site locations. Project planned coverage area includes an estimated 49 square mile serving area. Voice switching for this area is currently done using our packet voice switch and voice service will remain using that after project completion. As part of this project all access electronics in the project area will be upgraded to offer VDSL2 broadband and VoIP service. This project area is planned to be included in our next RUS loan design. Funding for the project is planned to be from the future RUS loan. Expected construction completion and service cut over of this project is within this calendar year.

2015 Update: This project has been moved up from plan year 2018 due to priority changes.

2016 Update: Continuing as planned but including FTTN as noted.

SHOSHONI, WYOMING EXCHANGE

SHOSHONI BASE RATE CONSTRUCTION (PHASE I) (SHSH)

The planned method of investment is not decided at this time with broadband service being the goal. Current copper cables may or may not be retained in project design. The project will include an estimated 16 route miles of fiber optic cable if fiber to the home service is used and/or an estimated 4 new wireless sites if wireless delivery to the home is used. Aerial and buried cable placement methods are being considered for this project as well as the establishment of new wireless site locations. Investment methods being considered for this project include wireless Point-to-Multi Point service to the home as well as fiber to the node (FTTN) or fiber to the home (FTTH) type service delivery. Consideration is being given to cost, performance, and reliability in the decisions planning the investment and service enhancement in this area. We expect some advancement in all technology types in the coming years that will allow us to proceed with the best investment for service delivery. Special concerns for new placement in this project include some difficult construction areas with rock excavation possible and possible land and easement issues if establishing new wireless sites. Project planned coverage area includes an estimated 4 square mile serving area. Voice switching for this site is currently done using our packet voice switch and voice service will remain using that after project completion. The current access electronics system serving these subscribers is in the Central Office and will be replaced and upgraded as part of this project. Current anchor institution in the planned serving area interface is the Shoshoni School. This project area is planned to be included in

our next RUS loan design. Funding for the project is planned to be from the future RUS loan. Expected construction completion and service cut over of this project is within this calendar year.

Update 2015: This project has been split into two phases with Phase I being moved up to 2016 and Phase II being moved outside of the current 5-year plan to year 2020 due to priority changes.

2016 Update: Phase I - Main Line fiber construction to new Shoshoni School is in place and waiting for the school's construction to be completed prior to splicing. Splicing is scheduled to be complete in summer of 2016. Phase II is still planned for construction in 2020.

OSAGE, WYOMING EXCHANGE

CENTRAL OFFICE RETIREMENT (OSAG)

The planned method of investment for this project is the establishment of a new access carrier site to provide service to all subscribers in this exchange and allow us to retire our current central office building. Current copper cable service delivery to the subscribers will be retained. The project includes placement of a new electronics cabinet at the current Central Office Site. Other investment methods considered for this project include wireless Point-to-Multi Point service delivery to the home. Existing copper cable investment and capacity proved utilizing current fiber optic cable for transport to a new local access carrier site to be the best investment. Project planned coverage area includes an estimated 7 square mile serving area. When complete subscribers will have a current maximum available broadband service speed of 20MB download with 5MB upload. Voice switching for this site is currently done using our circuit voice switch and will move to our packet voice switch after project completion. As part of this project the new access electronics site will be placed to offer VDSL2 broadband and VoIP voice service. This project area is not included in our current RUS loan design. Funding for the project is planned to be from general funds at this time. Expected construction completion and service cut over of this project is within this calendar year.

2015 Update: This project was moved out from plan year 2015 to plan year 2016 due to priority changes.

2016 Update: This project has been delayed until 2018 due to priority changes.

ALBIN, WYOMING EXCHANGE

KIRKBRIDE RANCH AREA (KBRD)

The planned method of investment for this project is wireless Point-to-Point transport and the establishment of new access carrier sites for broadband service delivery. Current copper cable service delivery to the subscribers will be retained and reinforced where needed. The project includes new placement of approximately 6 new wireless transport sites and 1 route mile of copper cable. Buried cable placement methods are planned on this project. Other investment methods considered for this project include fiber to the home (FTTH) and fiber to the node (FTTN) designs. Distance between subscriber locations and cost of placement proved wireless transport and copper to the home service delivery to be the best investment. Special concerns for new placement in this project include securing new property easement for new wireless site locations. Project planned coverage area includes an estimated 54 square mile serving area. This serving area has 13 subscribers with 0 current broadband customers included in that number. Currently there is no broadband capability or service offering in this area. Voice switching for this area is currently done using our packet voice switch and voice service will remain using that after project completion. As part of this project all access electronics in the project area will be upgraded to offer VDSL2 broadband and VoIP voice service. This project area is not included in our current RUS loan design. Funding for the project is planned to be from general funds at this time. Expected construction completion and service cut over of this project is within this calendar year.

2015 Update: This project has been moved out to plan year 2016 due to priority changes.

2016 Update: Final engineering and design is scheduled to be completed in spring of 2016. Construction is planned to take place in Summer 2016.

MULTIPLE EXCHANGES AS NOTED BELOW

UPGRADE AFC ACCESS CARRIER SITES TO BROADBAND LOOP CARRIER

The planned method of investment for this project is equipment upgrade of the current access carrier electronics and multiple sites. Current copper cable service delivery to the subscribers will be retained. The project includes placement of new electronics equipment in existing access carrier sites. Other investment methods considered for this project include wireless Point-to-Multi Point and fiber optic service delivery to the home. Peak and valley type terrain eliminated the use of wireless Point-to-Multi Point and distance between subscribers proved fiber to the node (FTTN) the best investment. When complete subscribers will have a current maximum available broadband service speed of 20MB download with 5MB upload. As part of this project the current access electronics at the site will be replaced and upgraded to offer VDSL2 broadband and VoIP voice service. These project areas are included in our current RUS loan design. Funding for the project is planned to be from general funds at this time. Expected construction completion and service cut over of this project is within this calendar year.

<u>Carrier Cabinet Upgrades</u>	<u>Area Impacted</u>	<u>Population Impacted</u>
HLTT New Haven	26 Sq. Miles	22 Subscribers
NWCS Buckhorn	12 Sq. Miles	42 Subscribers
NWCS Sweetwater	23 Sq. Miles	35 Subscribers
NWCS Whoop-Up Canyon	10 Sq. Miles	34 Subscribers
THRM Cowboy Mine	22 Sq. Miles	56 Subscribers
WRLD Cottonwood	12 Sq. Miles	10 Subscribers
MDWS Lynch	28 Sq. Miles	77 Subscribers

2015 Update: These projects have been added to the modernization plan.

2016 Update: We are attempting to upgrade our carrier access equipment across our networks but have been delayed due to priority changes.

RT COMMUNICATIONS-ALL EXCHANGES

TECHNICIAN SERVICE TRUCK VEHICLES

In 2016 RT Communications plans to replace two 1 ton diesel engine dual wheel construction service trucks. We currently have several high mileage service trucks and will decide on specific unit numbers for replacement as needed in the year. Due to RT Communications service area being very large the mileage put on each service truck yearly is very high. To ensure the safety of employees as well as ensuring serviceable vehicles, the company must regularly replace service trucks.

2016 Update: New trucks will be arriving in 3rd quarter of 2016.

Plan Year 2017

HULETT, WYOMING EXCHANGE

CENTRAL OFFICE MAIN DC POWER BOARD AND BATTERY REPLACEMENT (HLTT)

This project includes installation of a new DC power board and battery string. The new installed DC power system will replace and upgrade our current system that has reached its life expectancy and is manufacturer discontinued. Special concerns in this project include keeping reliable Central Office DC Power to maintain operation of all local transport and access services including 911 and EMS service. Funding for the project is planned to be from general funds at this time. Expected completion of this project is within this calendar year.

2016 update: This project has been delayed until 2017 due to priority changes.

NEWCASTLE, WYOMING EXCHANGE

CENTRAL OFFICE SERVING AREA CONSTRUCTION (PHASE I) (NWCS)

The planned method of investment for this project is fiber optic to the home/business (FTTH). This will be phase four of fiber to the home construction in this exchange with phase one having been constructed in 2006. Current copper cables will not be retained after project completion and service cut over. The project includes new placement of approximately 26 route miles of fiber optic cable. Aerial, buried and underground cable placement methods are planned on this project. Other investment methods considered for this project include wireless Point-to-Multi Point service to the home. Existing fiber to the home investment in this area makes continued fiber to the home the best investment. Special concerns for new placement in this project include some difficult construction areas with rock excavation possible. Project planned coverage area includes an estimated 1 square mile serving area. Voice switching for this site is currently done using our circuit voice switch and will move to our packet voice switch after project completion. The current access electronics system serving these subscribers is in the Central Office and will be replaced and upgraded as part of this project. Current anchor institutions in the planned serving area interfaces are the Weston County Courthouse & Sheriff's Office also the City Police Department. This project area is included in our current RUS loan design. Funding for the project is planned to be from the current RUS loan. Expected construction completion of this project is within this calendar year. Service cut over of this project is expected to be completed in this calendar year but could extend into year 2017 for full completion.

2015 update: This project has been split into three phases and scheduled as follows: Phase 1-2017; Phase II-2018; and Phase III-2019.

2016 Update: Engineering and design for Phase I will begin in summer of 2016.

HULETT, WYOMING EXCHANGE

HULETT NORTH END CONSTRUCTION (HLTT)

The planned method of investment for this project is fiber optic to the home/business (FTTH). Current copper cables will not be retained after project completion and service cut over. The project includes new placement of approximately 9 route miles of fiber optic cable. Aerial, buried and underground cable placement methods are planned on this project. Other investment methods considered for this project include wireless Point-to-Multi Point service to the home. Existing fiber to the home investment in this area makes continued fiber to the home the best investment. Special concerns for new placement in this project include some difficult construction areas with rock excavation possible. Project planned coverage area includes an estimated 2 square mile serving area. Voice switching for this site is currently done using our circuit voice switch and will move to our packet voice switch after project completion. The current access electronics system serving these subscribers is in the Central Office and will be replaced and upgraded as part of this project. Current anchor institutions in the planned serving area interfaces are the Hulett Airport and Hulett Medical Clinic. This project area is planned to be included in our next RUS loan design. Funding for the project is planned to be from the future RUS loan. Expected construction completion and service cut over of this project is within this calendar year.

2015 Update: This project has been moved out from plan year 2016 to 2017 due to priority changes.

2016 Update: Proceed as planned.

HULETT, WYOMING EXCHANGE

CENTRAL OFFICE SERVING AREA CONSTRUCTION (HLTT)

The planned method of investment for this project is fiber optic to the home/business (FTTH). Current copper cables will not be retained after project completion and service cut over. The project includes new placement of approximately 11 route miles of fiber optic cable. Aerial, buried and underground cable placement methods are planned on this project. Other investment methods considered for this project include wireless Point-to-Multi Point service to the home. Existing fiber to the home investment in this area makes continued fiber to the home the best investment. Special concerns for new placement in this project include some difficult construction areas with rock excavation possible. Project planned coverage area includes an estimated 10 square mile serving area. Voice switching for this site is currently done using our circuit voice switch and will move to our packet voice switch after project completion. The current access electronics system serving these subscribers is in the Central Office and will be replaced and upgraded as part of this project. Current anchor institutions in the planned serving area interfaces are the Hulett Community Center, High School and Grade Schools, Ambulance and emergency services, also the City Police Department. This project area is included in our future RUS loan design. Funding for the project is planned to be from the future RUS loan. Expected construction completion of this project is within this calendar year.

2016 Update: Engineering and design for this project will begin in summer of 2016.

HULETT, WYOMING EXCHANGE

RIDGE RADIO REPLACEMENT (RDGE)

The planned method of investment for this project is a new public spectrum radio unit replacement/upgrade for additional capacity. This radio link connects subscriber access carrier sites across mountainous terrain to provide voice and data service. The project includes new placement of radio electronics at two existing sites and access electronics upgrades at three existing sites. Fiber optics cable placement to replace the existing radio link has been considered and is cost prohibitive at this time. The fiber optic cable placement will be considered again in future budget years. Special concerns for new placement in this project include some difficult construction areas with rock excavation likely. The current coverage area of the radio link connected access carrier sites includes an estimated 86 square mile serving area. Currently there is no broadband capability or service offering in these access carrier areas. When complete these 32 subscribers will have a current maximum available broadband service speed of 20MB download with 5MB upload dependent on distance from serving area interface. Voice switching for this site is currently done using our circuit voice switch and will move to our packet voice switch after project completion. As part of this project all access electronics in the project area will be upgraded to offer VDSL2 broadband and VoIP service. This project area is not included in our current RUS loan design. Funding for the project is planned to be from general funds. Expected construction completion and service cut over of this project is within this calendar year.

2015 Update: This project has been moved out from plan year 2016 due to priority changes.

2016 Update: This project has been upgraded to 2017.

~~WORLAND, WYOMING EXCHANGE~~

~~HANOVER REMOTE ACCESS CARRIER SITE (HNVR)~~

~~The planned method of investment for this project is fiber optic transport to the existing node (FTTN) and equipment upgrade of the node electronics. Current copper cable service delivery to the subscribers will be retained. The project includes new placement of approximately 4 route miles of fiber optic cable. Buried cable placement method is planned on this project. Other investment methods considered for this project include wireless Point-to-Point transport. Lack of direct line of site and tree growth eliminated the use of wireless Point-to-Point and proved fiber optic placement the best investment. Special concerns for new placement in this project include narrow highway corridor work area may require private easement for construction. Project planned coverage area includes an estimated 12 square mile serving area. Voice switching for this site is currently done using our packet voice switch and voice service will remain using that after project completion. As part of this project the current access electronics at the site will be replaced and upgraded to offer VDSL2 broadband and VoIP service. This project area is planned to be included in our next RUS loan design. Funding for the project is planned to be from the future RUS loan. Expected construction completion and service cut over of this project is within this calendar year.~~

2015 Update: This project has been moved up from plan year 2018 due to priority changes.

2016 Update: This project is in the final engineering, design, and contract phases and will begin construction in 2016.

UPTON, WYOMING EXCHANGE

THORTON / BUFFALO CREEK ACCESS CARRIER SITE (THTN)

The planned method of investment for this project is fiber optic transport to the node (FTTN) and to establish new access carrier electronics sites. Current copper cable service delivery to the subscribers will be retained. The project includes new placement of approximately 9 route miles of fiber optic cable. Buried cable placement methods are planned on this project. Other investment methods considered for this project include wireless Point-to-Point transport. Existing fiber to the node service in the area and existing copper cable eliminated the use of wireless Point-to-Point and proved fiber optic placement the best investment. Special concerns for new placement in this project include some private easement construction areas. Project planned coverage area includes an estimated 13 square mile serving area. Voice switching for this site is currently done using our packet voice switch and voice service will remain using that after project completion. As part of this project the current access electronics at the site will be replaced and upgraded to offer VDSL broadband and VoIP voice service. This project area is planned to be included in our next RUS loan design. Funding for the project is planned to be from the future RUS loan. Expected construction completion and service cut over of this project is within this calendar year.

2016 update: Project added to our 5 year plan due to demand for upgraded service within the service area.

PINE BLUFFS, WYOMING EXCHANGE

CENTRAL OFFICE SERVING AREA CONSTRUCTION (PHASE I) (PNBL)

The planned method of investment for this project is fiber optic to the home/business (FTTH). Current copper cables will not be retained after project completion and service cut over. The Pine Bluffs CO project includes new placement of approximately 36 route miles of fiber optic cable. Aerial, buried and underground cable placement methods are planned on this project. Other investment methods considered for this project include wireless Point-to-Multi Point service to the home. Existing fiber to the home investment in this area makes continued fiber to the home the best investment. Special concerns for new placement in this project include some difficult construction areas with rock excavation possible. Project planned coverage area includes an estimated 4 square mile serving area. These serving area interfaces have an estimated total of 812 subscriber locations with estimated 400 current broadband customers included in that number. Current broadband capabilities in these areas offer maximum service speed of 15MB download with 1MB upload. When complete all subscribers will have a current maximum available broadband service speed of 50MB download with 20MB upload. Voice switching for this site is currently done using our packet voice switch and voice service will remain using that after project completion. The current access electronics system serving these subscribers is in the Central Office and will be replaced and upgraded as part of this project. Current anchor institutions in the planned serving area interfaces are the Pine Bluffs City Police Department and University of Wyoming Distance Learning Center. This project area is planned to be included in our next RUS loan design. Funding for the project is planned to be from the current RUS loan at the time. Expected construction completion of this project is within this calendar year. Service cut over of this project is expected to be completed in this calendar year but could extend into year 2020 for full completion.

2015 Update: This project was originally targeted for 2019 but has been split into two phases with Phase I being moved up to 2017 and Phase II being moved up to 2018 due to priority changes.

2016 Update: Proceed as planned.

NEWCASTLE, WYOMING EXCHANGE

CENTRAL OFFICE BUILDING REAR ENTRANCE REPAIR (NWCS)

The Newcastle West Entrance project includes repair or replacement of the entire alley facing entrance and parking area of the Central Office. The new entrance and parking area will replace and upgrade our currently deteriorating entrance and parking area. Special concerns in this project include keeping safe access and parking for our personnel. Funding for the project is planned to be from general funds at this time. Expected completion of this project is within this calendar year.

2015 Update: This project was added due to priority change.

2016 Update: This project has been moved to 2017 due to priority changes.

THERMOPOLIS, WYOMING EXCHANGE

CENTRAL OFFICE HEATING AND COOLING EQUIPMENT (THRM)

The Thermopolis Central Office cooling unit no longer sufficiently maintains the temperature and humidity in some parts of the office. A new wall was constructed during a remodel to reduce the size of the equipment room and thus reduced the cost of the fire suppression system we were installing. The result of this remodel placed the smaller secondary AC unit into the same zone as the primary system for cooling the equipment. The main system cools the front office and the back office but no longer cools the equipment room sufficiently. This smaller system is running too often and will eventually fail. It has been recommended that we place a 10 Ton system in the Central Office as the primary and let the smaller unit be the backup. The heating units are older Lenox systems that are becoming harder to maintain and support. Replacement has been recommended.

2016 update: This project has been delayed until 2017 due to priority changes.

BURNS, WYOMING EXCHANGE

NORTH STUCKEY ROAD ACCESS CARRIER SITE (STRD)

The planned method of investment for this project is fiber optic transport to the node (FTTN) and to establish new access carrier electronics sites. Current copper cable service delivery to the subscribers will be retained. The project includes new placement of approximately 13 route miles of fiber optic cable. Buried cable placement methods are planned on this project. Other investment methods considered for this project include wireless Point-to-Point transport. Existing fiber to the node service in the area and existing copper cable eliminated the use of wireless Point-to-Point and proved fiber optic placement the best investment. Special concerns for new placement in this project include some private easement construction areas. Project planned coverage area includes an estimated 29 square mile serving area. Voice switching for this site is currently done using our packet voice switch and voice service will remain using that after project completion. As part of this project the current access electronics at the site will be replaced and upgraded to offer VDSL2 broadband and VoIP voice service. This project area is planned to be included in our next RUS loan design. Funding for the project is planned to be from the future RUS loan. Expected construction completion and service cut over of this project is within this calendar year.

2015 Update: This project was moved up from 2018 due to priority changes.

2016 update: Proceed as planned.

OSAGE, WYOMING EXCHANGE

SUNDOWN TRAIL SUBDIVISION (SNTR)

The planned method of investment for this project is fiber optic to the home or business (FTTH). Sundown Trail Subdivision project includes placement of a new PON cabinet and splicing to re-arrange fibers. Existing fiber to the home service in the area eliminated the use of wireless Point to Point and proved fiber optic placement the best investment. Project planned coverage area includes an estimated 14 square mile serving area. These serving area interfaces currently have an estimated 40 subscribers with 26 current broadband customers included in that number. Current broadband capabilities at this site offer maximum service speed of 6MB download with 512KB upload. When complete subscribers will have a current maximum available broadband service speed of 20MB download with 5MB upload. Voice switching for this site is currently done using our packet voice switch and voice service will remain using that after project completion. As part of this project the current access electronics at the site will be replaced and upgraded to offer VDSL2 broadband and VoIP voice service. Funding for the project is planned to be from the current RUS loan at the time. Expected construction completion and service cut over of this project is within this calendar year.

2015 Update: This project was added to the 5-year plan due to priority.

2016 Update: This project has been delayed and is not planned for construction until 2020.

MOORCROFT, WYOMING EXCHANGE

PINEDALE ROAD AND SERVICE TO AT&T TOWER (PNDL)

The planned method of investment for this project is fiber optic transport to the node (FTTN) and to establish new access carrier electronics sites. Current copper cable service delivery to the subscribers will be retained. Pinedale Road project includes new placement of approximately 6 route miles of fiber optic cable. Buried cable placement methods are planned on this project. Other investment methods considered for this project include wireless Point-to-Point transport. Existing fiber to the node service in the area and existing copper cable eliminated the use of wireless Point-to-Point and proved fiber optic placement the best investment. Special concerns for new placement in this project include some private easement construction areas. Project planned coverage area includes an estimated 8 square mile serving area. These serving area interfaces currently have an estimated 70 subscribers with 34 current broadband customers included in that number. Current broadband capabilities at this site offer maximum service speed of 6MB download with 512KB upload. When complete subscribers will have a current maximum available broadband service speed of 20MB download with 5MB upload. Voice switching for this site is currently done using our packet voice switch and voice service will remain using that after project completion. As part of this project the current access electronics at the site will be replaced and upgraded to offer VDSL2 broadband and VoIP voice service. This project area is planned to be included in our next RUS loan design. Funding for the project is planned to be from the current RUS loan at the time. Expected construction completion and service cut over of this project is within this calendar year.

2015 Update: This project was added to the 5-year plan due to priority.

2016 Update: Proceed as planned.

SHOSHONI, WYOMING EXCHANGE

CENTRAL OFFICE HVAC EQUIPMENT (SHSH)

We have been advised by our current air system maintenance contractor to plan for replacement of the current heating and cooling equipment in the Shoshoni Central Office. The current data type cooling system is located inside the building and limited in size because of that. Recent expansions of the Central Office transport and access equipment has added more cooling demand on the current unit making it clear we must plan for this upgrade. The recommended replacement would be a roof mount unit with some duct work additions to correct the air flow inside the building.

2016 update: Proceed as planned.

MIDWEST, WYOMING EXCHANGE

CENTRAL OFFICE MAIN DC POWER BOARD AND BATTERY REPLACEMENT (NWCS)

This project includes installation of a new DC power board and battery string. The new installed DC power system will replace and upgrade our current system that has exceeded its life expectancy and is manufacturer discontinued. Special concerns in this project include keeping reliable Central Office DC Power to maintain operation of all local transport and access services including 911 and EMS service. Funding for the project is planned to be from general funds. Expected completion of this project is within this calendar year.

2016 update: Proceed as planned.

RT COMMUNICATIONS-ALL EXCHANGES

TECHNICIAN SERVICE TRUCK VEHICLES

In 2017 RT Communications plans to replace two ¾ ton gasoline engine service trucks. We currently have several high mileage service trucks and will decide on specific unit numbers for replacement as needed in the year. Due to RT Communications service area being very large the mileage put on each service truck yearly is very high. To ensure the safety of employees as well as ensuring serviceable vehicles, the company must regularly replace service trucks.

2016 update: Proceed as planned.

Plan Year 2018

MOORCROFT, WYOMING EXCHANGE

CENTRAL OFFICE MAIN DC POWER BOARD AND BATTERY REPLACEMENT (MRCR)

This project includes installation of a new DC power board and battery string. The new installed DC power system will replace and upgrade our current system that has reached its life expectancy and is manufacturer discontinued. Special concerns in this project include keeping reliable Central Office DC Power to maintain operation of all local transport and access services including 911 and EMS service. Funding for the project is planned to be from general funds at this time. Expected completion of this project is within this calendar year. **2016 update: Proceed as planned.**

OSAGE, WYOMING EXCHANGE

CENTRAL OFFICE RETIREMENT (OSAG)

The planned method of investment for this project is the establishment of a new access carrier site to provide service to all subscribers in this exchange and allow us to retire our current central office building. Current copper cable service delivery to the subscribers will be retained. The project includes placement of a new electronics cabinet at the current Central Office Site. Other investment methods considered for this project include wireless Point-to-Multi Point service delivery to the home. Existing copper cable investment and capacity proved utilizing current fiber optic cable for transport to a new local access carrier site to be the best investment. Project planned coverage area includes an estimated 7 square mile serving area. When complete subscribers will have a current maximum available broadband service speed of 20MB download with 5MB upload. Voice switching for this site is currently done using our circuit voice switch and will move to our packet voice switch after project completion. As part of this project the new access electronics site will be placed to offer VDSL2 broadband and VoIP voice service. This project area is not included in our current RUS loan design. Funding for the project is planned to be from general funds at this time. Expected construction completion and service cut over of this project is within this calendar year.

2015 Update: This project was moved out from plan year 2015 to plan year 2016 due to priority changes.

2016 Update: This project has been delayed until 2018 due to priority changes.

BURNS, WYOMING EXCHANGE

CENTRAL OFFICE MAIN DC POWER BOARD AND BATTERY REPLACEMENT (BRNS)

This project includes installation of a new DC power board and battery string. The new installed DC power system will replace and upgrade our current system that has reached its life expectancy and is manufacturer discontinued. Special concerns in this project include keeping reliable Central Office DC Power to maintain operation of all local transport and access services including 911 and EMS service. Funding for the project is planned to be from general funds at this time. Expected completion of this project is within this calendar year.

2016 update: Due to battery failure this project was complete October 2015 and reflected under that year.

ALBIN, WYOMING EXCHANGE

CENTRAL OFFICE MAIN DC POWER BOARD AND BATTERY REPLACEMENT (ALBN)

This project includes installation of a new DC power board and battery string. The new installed DC power system will replace and upgrade our current system that has reached its life expectancy and is manufacturer discontinued. Special concerns in this project include keeping reliable Central Office DC Power to maintain operation of all local transport and access services including 911 and EMS service. Funding for the project is planned to be from general funds at this time. Expected completion of this project is within this calendar year.

2016 update: Proceed as planned.

HULETT, WYOMING EXCHANGE

RIDGE RADIO REPLACEMENT (RDGE)

The planned method of investment for this project is a new public spectrum radio unit replacement/upgrade for additional capacity. This radio link connects subscriber access carrier sites across mountainous terrain to provide voice and data service. The project includes new placement of radio electronics at two existing sites and access electronics upgrades at three existing sites. Fiber optics cable placement to replace the existing radio link has been considered and is cost prohibitive at this time. The fiber optic cable placement will be considered again in future budget years. Special concerns for new placement in this project include some difficult construction areas with rock excavation likely. The current coverage area of the radio link connected access carrier sites includes an estimated 86 square mile serving area. Currently there is no broadband capability or service offering in these access carrier areas. When complete these 32 subscribers will have a current maximum available broadband service speed of 20MB download with 5MB upload dependent on distance from serving area interface. Voice switching for this site is currently done using our circuit voice switch and will move to our packet voice switch after project completion. As part of this project all access electronics in the project area will be upgraded to offer VDSL2 broadband and VoIP service. This project area is not included in our current RUS loan design. Funding for the project is planned to be from general funds. Expected construction completion and service cut over of this project is within this calendar year.

2015 Update: This project has been moved out from plan year 2016 due to priority changes.

2016 Update: This project has been upgraded to 2017.

UPTON, WYOMING EXCHANGE SUNDANCE CANYON SUBDIVISION (SDCN)

The planned method of investment for this project is fiber optic to the home or business (FTTH) and to establish new PON cabinet and serving area. There are currently no communications facilities within this subdivision. The project includes new placement of approximately 9 route miles of fiber optic cable. Buried cable placement methods are planned on this project. Other investment methods considered for this project include wireless Point-to-Point transport. Hill and valley terrain eliminated the use of wireless Point-to-Point and proved fiber optic placement the best investment. Special concerns for new placement in this project include some private easement construction areas. Project planned coverage area includes an estimated 16 square mile serving area. This serving area would consist of 30 homes and 25 vacant lots. When complete subscribers will have a current maximum available broadband service speed of 20MB download with 5MB upload. This project area is planned to be included in our next RUS loan design. Funding for the project is planned to be from the current RUS loan at the time. Expected construction completion and service cut over of this project is within this calendar year.

2015 Update: This project has been added to the 5-year modernization plan due to priority changes.

2016 Update: Proceed as planned.

MIDWEST, WYOMING EXCHANGE MIDWEST BASE RATE CONSTRUCTION PHASE I (MWST)

The planned method of investment is not decided at this time with broadband service being the goal. Current copper cables may or may not be retained in project design. The project will include an estimated 16 route miles of fiber optic cable if fiber to the home service is used and/or an estimated 4 new wireless sites if wireless delivery to the home is used. Aerial and buried cable placement methods are being considered for this project as well as the establishment of new wireless site locations. Investment methods being considered for this project include wireless Point-to-Multi Point service to the home as well as fiber to the node (FTTN) or fiber to the home (FTTH) type service delivery. Consideration is being given to cost, performance, and reliability in the decisions planning the investment and service enhancement in this area. We expect some advancement in all technology types in the coming years that will allow us to proceed with the best investment for service delivery. Special concerns for new placement in this project include some difficult construction areas with rock excavation possible and possible land and easement issues if establishing new wireless sites. Project planned coverage area includes an estimated 4 square mile serving area. Voice switching for this site is currently done using our packet voice switch and voice service will remain using that after project completion. The current access electronics system serving these subscribers is in the Central Office and will be replaced and upgraded as part of this project. Current anchor institution in the planned serving area interface is the Midwest School. This project area is planned to be included in our next RUS loan design. Funding for the project is planned to be from the future RUS loan. Expected construction completion and service cut over of this project is within this calendar year.

2015 Update: This project was originally scheduled for 2018 but has been split into two phases with the Phase I scheduled for 2018 and Phase II scheduled for 2019.

2016 Update: Proceed as planned.

NEWCASTLE, WYOMING EXCHANGE CENTRAL OFFICE SERVING AREA CONSTRUCTION PHASE II (NWCS)

The planned method of investment for this project is fiber optic to the home/business (FTTH). This will be phase four of fiber to the home construction in this exchange with phase one having been constructed in 2006. Current copper cables will not be retained after project completion and service cut over. The project includes new placement of approximately 26 route miles of fiber optic cable. Aerial, buried and underground cable placement methods are planned on this project. Other investment methods considered for this project include wireless Point-to-Multi Point service to the home. Existing fiber to the home investment in this area makes continued fiber to the home the best investment. Special concerns for new placement in this project include some difficult construction areas with rock excavation possible. Project planned coverage area includes an estimated 1 square mile serving area. Voice switching for this site is currently done using our circuit voice switch and will move to our packet voice switch after project completion. The current access electronics system serving these subscribers is in the Central Office and will be replaced and upgraded as part of this project. Current anchor institutions in the planned serving area interfaces are the Weston County Courthouse & Sheriff's Office also the City Police Department. This project area is included in our current RUS loan design. Funding for the project is planned to be from the current RUS loan. Expected construction completion of this project is within this calendar year. Service cut over of this project is expected to be completed in this calendar year but could extend into year 2017 for full completion.

2015 update: This project has been split into three phases and scheduled as follows: Phase 1-2017; Phase II-2018; and Phase III-2019. 2016 Update: Proceed as planned.

PINE BLUFFS, WYOMING EXCHANGE

CENTRAL OFFICE SERVING AREA CONSTRUCTION PHASE II (PNBL)

The planned method of investment for this project is fiber optic to the home/business (FTTH). Current copper cables will not be retained after project completion and service cut over. The project includes new placement of approximately 36 route miles of fiber optic cable. Aerial, buried and underground cable placement methods are planned on this project. Other investment methods considered for this project include wireless Point-to-Multi Point service to the home. Existing fiber to the home investment in this area makes continued fiber to the home the best investment. Special concerns for new placement in this project include some difficult construction areas with rock excavation possible. Project planned coverage area includes an estimated 4 square mile serving area. Voice switching for this site is currently done using our packet voice switch and voice service will remain using that after project completion. The current access electronics system serving these subscribers is in the Central Office and will be replaced and upgraded as part of this project. Current anchor institutions in the planned serving area interfaces are the Pine Bluffs City Police Department and University of Wyoming Distance Learning Center. This project area is planned to be included in our next RUS loan design. Funding for the project is planned to be from the future RUS loan. Expected construction completion of this project is within this calendar year. Service cut over of this project is expected to be completed in this calendar year but could extend into year 2020 for full completion.

2015 Update: This project was originally targeted for 2019 but has been split into two phases with Phase I being moved up to 2017 and Phase II being moved up to 2018 due to priority changes.

2016 Update: Proceed as planned.

RT COMMUNICATIONS-ALL EXCHANGES

TECHNICIAN SERVICE TRUCK VEHICLES

In 2018 RT Communications plans to replace two ¾ ton gasoline engine service trucks. We currently have several high mileage service trucks and will decide on specific unit numbers for replacement as needed in the year. Due to RT Communications service area being very large the mileage put on each service truck yearly is very high. To ensure the safety of employees as well as ensuring serviceable vehicles, the company must regularly replace service trucks.

2016 Update: Proceed as planned.

Plan Year 2019

WORLAND, WYOMING EXCHANGE

BIG HORN REMOTE ACCESS CARRIER SITE (BHRN)

The planned method of investment for this project is fiber optic transport to the existing node (FTTN) and equipment upgrade of the node electronics. Current copper cable service delivery to the subscribers will be retained. The project includes new placement of approximately 2.3 route miles of fiber optic cable. Both aerial and buried cable placement methods are planned on this project. Other investment methods considered for this project include wireless Point-to-Point transport. Peak and valley type terrain eliminated the use of wireless Point-to-Point and proved fiber optic placement the best investment. Special concerns for new placement in this project include crossing a main BNSF Railroad line and a river crossing of the Big Horn River. Project planned coverage area includes an estimated 5 square mile serving area. Voice switching for this site is currently done using our packet voice switch and voice service will remain using that after project completion. As part of this project the current access electronics at the site will be replaced and upgraded to offer VDSL2 broadband and VoIP service. This project area is included in our current RUS loan design. Funding for the project is planned to be from general funds. Expected construction completion and service cut over of this project is within calendar year 2015.

2015 Update: This project has been delayed due to road construction planning by Wyoming Department of Transportation. Start date is unknown at this time and project may have to be moved out to subsequent plan year.

2016 Update: This project planned implementation is summer of 2019 due to WYDOT construction along route scheduled through 2018.

UPTON, WYOMING EXCHANGE

CENTRAL OFFICE MAIN DC POWER BOARD AND BATTERY REPLACEMENT (UPTN)

This project includes installation of a new DC power board and battery string. The new installed DC power system will replace and upgrade our current system that has reached its life expectancy and is manufacturer discontinued. Special concerns in this project include keeping reliable Central Office DC Power to maintain operation of all local transport and access services including 911 and

EMS service. Funding for the project is planned to be from general funds at this time. Expected completion of this project is within this calendar year.

2016 update: Proceed as planned.

NEWCASTLE, WYOMING EXCHANGE

CENTRAL OFFICE SERVING AREA CONSTRUCTION PHASE III (NWCS)

The planned method of investment for this project is fiber optic to the home/business (FTTH). This will be phase four of fiber to the home construction in this exchange with phase one having been constructed in 2006. Current copper cables will not be retained after project completion and service cut over. The project includes new placement of approximately 26 route miles of fiber optic cable. Aerial, buried and underground cable placement methods are planned on this project. Other investment methods considered for this project include wireless Point-to-Multi Point service to the home. Existing fiber to the home investment in this area makes continued fiber to the home the best investment. Special concerns for new placement in this project include some difficult construction areas with rock excavation possible. Project planned coverage area includes an estimated 1 square mile serving area. Voice switching for this site is currently done using our circuit voice switch and will move to our packet voice switch after project completion. The current access electronics system serving these subscribers is in the Central Office and will be replaced and upgraded as part of this project. Current anchor institutions in the planned serving area interfaces are the Weston County Courthouse & Sheriff's Office also the City Police Department. This project area is included in our current RUS loan design. Funding for the project is planned to be from the current RUS loan. Expected construction completion of this project is within this calendar year. Service cut over of this project is expected to be completed in this calendar year but could extend into year 2017 for full completion.

2015 update: This project has been split into three phases and scheduled as follows: Phase I-2017; Phase II-2018; and Phase III-2019.

2016 Update: Proceed as planned.

HULETT, WYOMING EXCHANGE

UPGRADE ACCESS CARRIER SITES

~~The planned method of investment for this project is equipment upgrade of the current access carrier electronics and possibly to add new sites. Current copper cable service delivery to the subscribers will be retained. The project includes placement of new electronics equipment in existing access carrier sites. Other investment methods considered for this project include fiber to the home and as budget years continue that method may be chosen. Distance between subscribers proves fiber to the node (FTTN) the best investment until future budgeting can be done for fiber to the home. Project planned coverage area includes an estimated 360 square miles of serving areas. Voice switching for this site is currently done using our circuit voice switch and will move to our packet voice switch after project completion. As part of this project the current access electronics at the site will be replaced and upgraded to offer VDSL2 broadband and VoIP service. This project area is planned to be included in our next RUS loan design. Funding for the project is planned to be from the future RUS loan. Expected construction completion and service cut over of this project is within this calendar year.~~

Update 2015: This project has been eliminated from the 5-year plan due to priority changes.

BURNS, WYOMING EXCHANGE

BASE RATE AREA CONSTRUCTION PHASE I (BRNS)

The planned method of investment for this project is fiber optic to the home/business (FTTH). Current copper cables will not be retained after project completion and service cut over. The Burns CO Phase I fiber to the home project includes new placement of approximately 10 route miles of fiber optic cable. Aerial, buried and underground cable placement methods are being considered for this project. At this time we are evaluating working with the local power company to utilize the existing power poles for all aerial cable placements. Other investment methods considered for this project include wireless Point-to-Multi Point service to the home. Not currently having any tower locations and bordering areas with existing fiber to the home investment in this area makes continued fiber to the home the best investment. Special concerns for new placement in this project include some difficult construction areas with rock excavation possible. Project planned coverage area includes an estimated 3 square mile serving area. This serving area interface has an estimated total of 30 subscriber locations with estimated 20 current broadband customers included in that number. Current broadband capabilities in these areas offer maximum service speed of 5MB download with 1MB upload. When complete all subscribers will have a current maximum available broadband service speed of 50MB download with 20MB upload. Voice switching for this site is currently done using our circuit voice switch and will move to our packet voice switch after project completion. The current access electronics system serving these subscribers is in the Central Office and will be

replaced and upgraded as part of this project. This project area is planned to be included in our next RUS loan design. Funding for the project is planned to be from the current RUS loan at the time. Expected construction completion of this project is within this calendar year. Service cut over of this project is expected to be completed in this calendar year.

2015 Update: This project was added due to priority change.

2016 Update: Proceed as planned.

MOORCROFT, WYOMING EXCHANGE

BASE RATE AREA CONSTRUCTION PHASE I (MRCR)

The planned method of investment for this project is fiber optic to the home/business (FTTH). Current copper cables will not be retained after project completion and service cut over. The project includes new placement of approximately 13 route miles of fiber optic cable. Aerial, buried and underground cable placement methods are being considered for this project. At this time we are evaluating working with the local power company to utilize the existing power poles for all aerial cable placements. Other investment methods considered for this project include wireless Point-to-Multi Point service to the home. Not currently having any tower locations and bordering areas with existing fiber to the home investment in this area makes continued fiber to the home the best investment. Special concerns for new placement in this project include some difficult construction areas with rock excavation possible. Project planned coverage area includes an estimated 9 square mile serving area. Voice switching for this site is currently done using our circuit voice switch and will move to our packet voice switch after project completion. The current access electronics system serving these subscribers is in the Central Office and will be replaced and upgraded as part of this project. Current anchor institutions in the planned serving area interfaces are the Crook County Medical Clinic, Moorcroft Library and Moorcroft Police Department. This project area is planned to be included in our next RUS loan design. Funding for the project is planned to be from the future RUS loan. Expected construction completion of this project is within this calendar year. Service cut over of this project is expected to be completed in this calendar year but could extend into year 2019 for full completion.

2015 Update: This project was split into two phases and moved out from 2018. Phase I will commence in 2019 and Phase II will commence in 2020.

2016 Update: Proceed as planned.

MIDWEST, WYOMING EXCHANGE

MIDWEST BASE RATE CONSTRUCTION PHASE II (MWST)

The planned method of investment is not decided at this time with broadband service being the goal. Current copper cables may or may not be retained in project design. The project will include an estimated 16 route miles of fiber optic cable if fiber to the home service is used and/or an estimated 4 new wireless sites if wireless delivery to the home is used. Aerial and buried cable placement methods are being considered for this project as well as the establishment of new wireless site locations. Investment methods being considered for this project include wireless Point-to-Multi Point service to the home as well as fiber to the node (FTTN) or fiber to the home (FTTH) type service delivery. Consideration is being given to cost, performance, and reliability in the decisions planning the investment and service enhancement in this area. We expect some advancement in all technology types in the coming years that will allow us to proceed with the best investment for service delivery. Special concerns for new placement in this project include some difficult construction areas with rock excavation possible and possible land and easement issues if establishing new wireless sites. Project planned coverage area includes an estimated 4 square mile serving area. Voice switching for this site is currently done using our packet voice switch and voice service will remain using that after project completion. The current access electronics system serving these subscribers is in the Central Office and will be replaced and upgraded as part of this project. Current anchor institution in the planned serving area interface is the Midwest School. This project area is planned to be included in our next RUS loan design. Funding for the project is planned to be from the future RUS loan. Expected construction completion and service cut over of this project is within this calendar year.

2015 Update: This project was originally scheduled for 2018 but has been split into two phases with the Phase I scheduled for 2018 and Phase II scheduled for 2019.

2016 Update: Proceed as planned.

CARPENTER, WYOMING EXCHANGE

CARPENTER EAST RE-ENFORCEMENT (CRPN EAST)

The planned method of investment for this project is fiber optic to the home/business (FTTH). Current fiber optic cables will be retained but current copper cables in this area will not be retained after project completion and service cut over. The Carpenter East fiber to the home project includes new placement of approximately 6 route miles of fiber optic cable. Buried and underground cable placement methods are planned on this project. Other investment methods considered for this project include wireless Point-to-Multi Point service to the home. Existing fiber to the home investment in this area makes continued fiber to the home the best

investment. Special concerns for new placement in this project include some private easement construction areas. Project planned coverage area includes an estimated 7 square mile serving area. This serving area interface has an estimated total of 32 subscriber locations with estimated 22 current broadband customers included in that number. Current broadband capabilities in these areas offer maximum service speed of 10MB download with 1MB upload. When complete all subscribers will have a current maximum available broadband service speed of 50MB download with 20MB upload. Voice switching for this site is currently done using our packet voice switch and voice service will remain using that after project completion. This project area is planned to be included in our next RUS loan design. Funding for the project is planned to be from the current RUS loan at the time. Expected construction completion and service cut over of this project is within this calendar year.

2015 Update: This project was added to plan year 2019 due to priority change.

2016 Update: Proceed as planned.

RT COMMUNICATIONS-ALL EXCHANGES

TECHNICIAN SERVICE TRUCK VEHICLES

In 2019 RT Communications plans to replace two 1 ton diesel engine dual wheel construction service trucks. We currently have several high mileage service trucks and will decide on specific unit numbers for replacement as needed in the year. Due to RT Communications service area being very large the mileage put on each service truck yearly is very high. To ensure the safety of employees as well as ensuring serviceable vehicles, the company must regularly replace service trucks.

2016 Update: Proceed as planned.